

# MEMO

**DATE:** June 1, 2006

**TO:** Regional Council

**FROM:** Don Rhodes, Manager, Government & Public Affairs (x 840)

**SUBJECT:** Infrastructure Bond Summary & Presentation; SCA 7 Proposition 42 Funds Protection; AB 1467 Public Private Partnerships/Design Build Trailer Bill

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## SUMMARY:

On May 5, 2006, the legislature passed four infrastructure bond bills to the Governor which, upon his signature, will go before the voters on the November ballot. The bond measures provide in total **\$37.3285** billion dollars statewide for infrastructure development, contained within four separate bonds in the following amounts:

- Transportation – \$19.925 billion (SB 1266)
- Housing - \$2.85 billion (SB 1689)
- Education - \$10.416 billion (AB 127)
- Flood Protection - \$4.09 billion (AB 140)

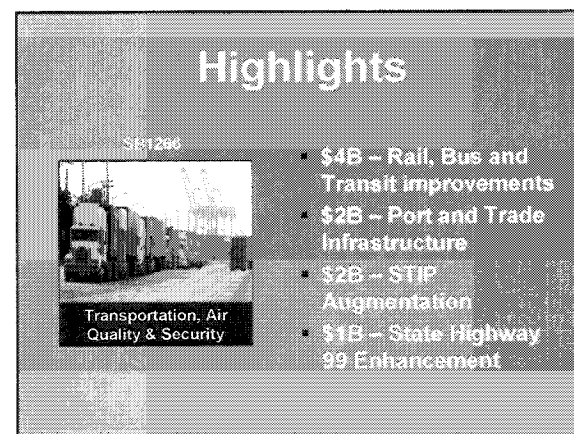
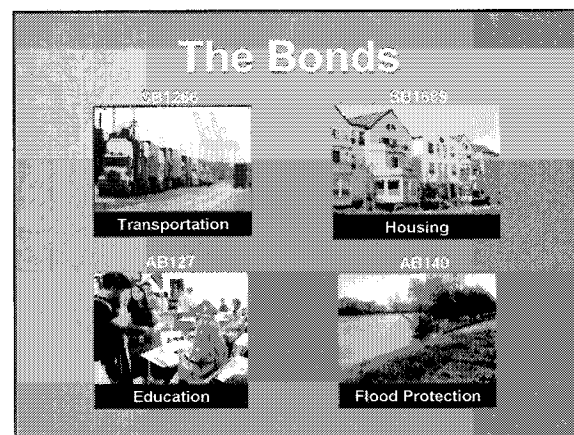
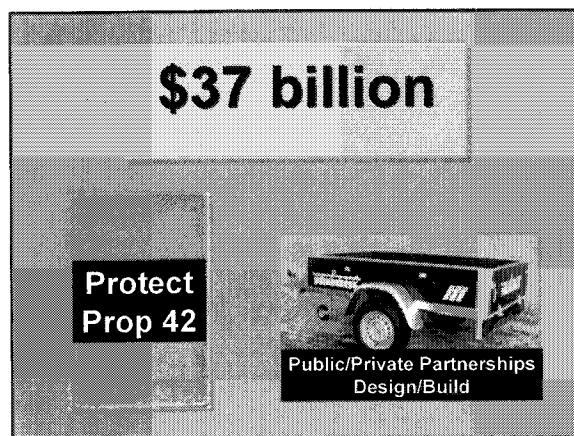
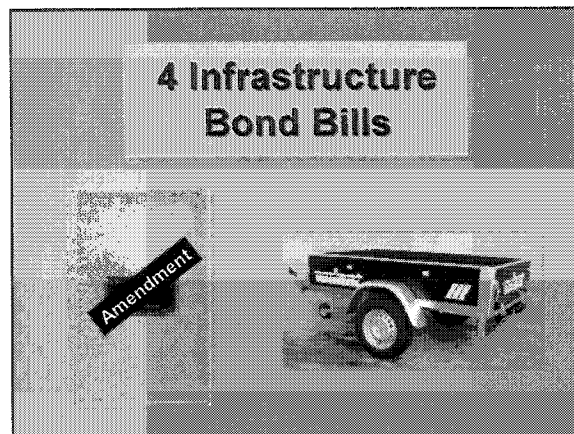
Much of the funding for transportation will be allocated by the CTC and, for housing, will be administered by the State HCD Department. Subsequent “trailer” legislation for transportation and housing will also determine substantial portions of the funding allocations provided by these bonds.

The legislature also passed SCA 7, a proposed constitutional amendment which, if passed, will provide limited protection of Prop. 42 funds. None of the ballot measures are cross-joined with one another, meaning that any one can pass individually, together, or not at all. Once on the ballot, the bond measures and proposed Constitutional Amendment require a simple majority of the voters to pass. AB 1467 is a trailer bill that provides for public private partnerships and design build procurement processes for goods movement and HOV Lane projects in Northern and Southern California. Staff will provide a more detailed presentation on each of these measures.

## BACKGROUND:

Infrastructure development has been a stated priority of the Governor’s administration, as outlined in its Strategic Growth Plan released at the beginning of this year. Likewise, Senator Perata has spearheaded the legislative effort to invest in California’s infrastructure since last year. Negotiations to put a more ambitious \$68 billion bond package (with leveraged funds in excess of \$220 billion) on the June ballot broke down in March, with negotiations quietly resuming in late April. Passage from the legislature of this infrastructure bond package is the result of a lengthy negotiation process between the Governor and both parties in both chambers of the legislature.

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## \$19.925 Billion Total

SB1224



Transportation, Air  
Quality & Security

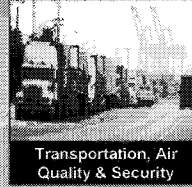
### \$1.525

#### Safety, Security & Disaster Prep.

- \$400M - transit safety and disaster preparedness
- \$1000M - port security
- \$250K - grade separations
- \$125K - bridge seismic retrofit

## \$19.925 Billion Total

SB1426



Transportation, Air  
Quality & Security

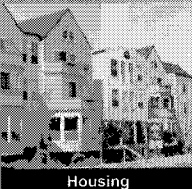
### \$1.2

#### Air Quality

- \$1B - port air quality
- \$200M - school bus retrofit

## \$2.85 Billion Total

SB1030



Housing

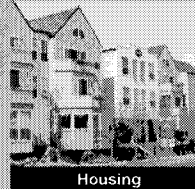
### \$1.5B

#### Affordable Housing Programs

- Replenishes funds provided under Proposition 46, passed by voters in 2002

## Other Highlights

SB1029

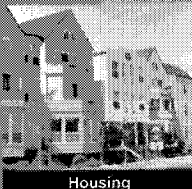


Housing

- \$395M - Builds apartments for seniors, low income and disabled
- \$195M - Supportive Housing Programs
- \$300M - Cal-HOME
- \$135M - Farmer Housing Grant Program

## \$2.85 Billion Total

SB1030



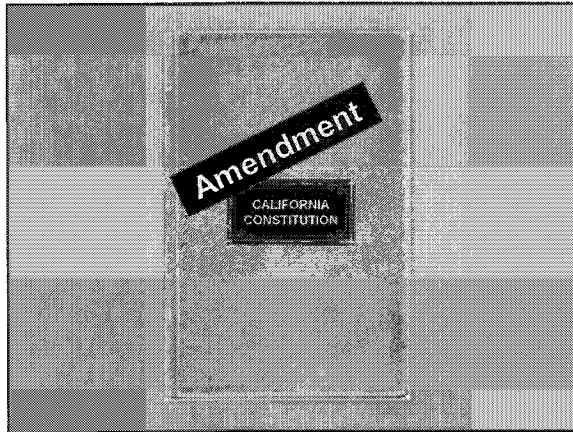
Housing

### \$1.35B

#### Infill, Parks & Transit Oriented Dev.

- \$350M - Infill Infrastructure Incentives
- \$200M - Parks
- \$300M - TOD Grant & Loan Program for Hi-Density Housing near Train Stations

**Each Bill Must Be  
Approved by  
Voters in  
November by  
Majority Vote**



## Senate Constitutional Amendment #7

**Limited Protection  
of Prop. 42 Funds  
(Fuel Taxes for  
Transportation Only)**

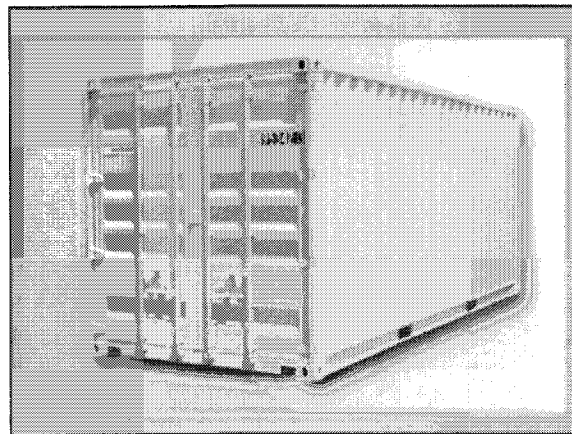
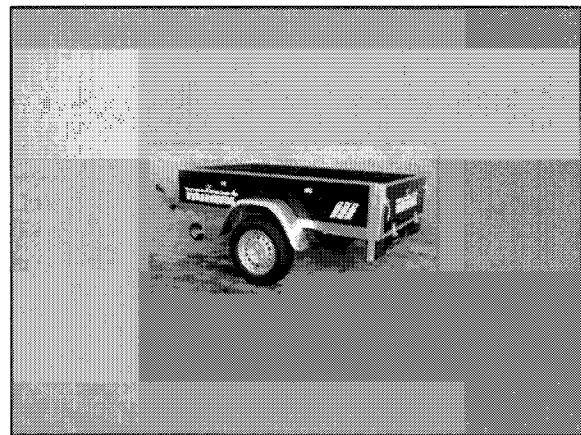
**Overriding Circumstances:**

- Governor Proclamation
- 2/3 Vote of Legislature
- Statute to repay with  
interest within 3 years

## Senate Constitutional Amendment #7

**Other Prohibitions**

- Transfers could not  
occur more than twice  
during any 10  
consecutive years
- Previously borrowed  
funds must be repaid by  
2016 at a rate of at least  
10% each year



**Provides 4 Public/Private  
Partnership Projects:**

- 2 in Northern CA
- 2 in Southern CA
- No less than 2 of these  
from a Regional  
Transportation Agency

**Provides 4 HOV Lane  
Projects**

**- 2 North, 2 South**

**- by Application of a RTA  
to a CTC**

**Procurement Process to  
Select Private Entities May  
Include Design-Build  
Proposals**

**Final Approval by  
Enactment of Legislation**